WASHINGTON POST
15 June 1986

Israel Uses Special Relationship to Get Secrets

Intelligence Reaped Largely From Sympathetic Officials, Not Spies

By Charles R. Babcock
Washington Post Staff Writer

In the fall of 1983, the Israeli Embassy learned from a U.S. senator classified details about an American plan to fund a Jordanian military force that could respond to crises in the Persian Gulf region, according to a Reagan administration official.

The news eventually found its way into the Israeli press, was then picked up by the American press, and the proposal later died in Congress.

The anecdote was cited as one illustration of a widespread feeling in U.S. intelligence and diplomatic circles that, to learn American secrets, Israel doesn't need a ring of paid spies like Navy analyst Jonathan Jay Pollard, who pleaded guilty June 4 to participating in an espionage conspiracy. The controversial case has implicated Israeli officials here and in Israel.

An Israeli Embassy spokesman yesterday called the description of the disclosure about the Jordanian military force "baseless nonsense." And he repeated statements that the Pollard case was "an unauthorized deviation from the clear-cut Israeli policy of not conducting any espionage activity whatsoever in the United States . . . ."

But for decades, the Israelis have targeted and been able to learn virtually every secret about U.S. foreign policy in the Middle East, according to a secret 1979 CIA report on the Israeli intelligence services and recent interviews with more than two dozen current or former U.S. intelligence officials.

This remarkable intelligence harvest is provided largely, not by paid agents, but by an unofficial network of sympathetic American officials who work in the Pentagon, State Department, congressional offices, the National Security Council and even the U.S. intelligence agencies, according to the officials interviewed for this article.

It is one of the most striking manifestations of the so-called special relationship that has developed between the United States and Israel in the nearly four decades since the Jewish state was founded.

"I was surprised at the Pollard case, but not that Americans were passing information to the Israelis. That happens with some frequency," said William Quandt, who was the Middle East expert on the National Security Council staff during the Carter administration.

One former CIA officer who met often with the liaison officer from Mossad, the Israeli intelligence service, said, "No other country . . . is as aggressively close as the Israelis. They work to become intimate, and that makes a difference . . . ."

The Reagan administration, like others before it, seems ambivalent about unauthorized disclosures to the Israelis. Administration officials express frustration over the inability to keep secrets about policies that can affect U.S. relations with other countries in the Middle East. But they recognize that Israel is a stable ally in a volatile region—and one that willingly cooperates in important areas like terrorism.

Robert G. Neumann, who was the Reagan administration's first ambassador to Saudi Arabia, cited the frustration. He said sensitive cables he sent to Washington sometimes were leaked before the receiving assistant secretary could read them. "The government is honeycombed with people who do that," he said. "They aren't paid spies, but the line between that and espionage is thin."

Other American officials were less disturbed about the historical pattern of disclosures to the Israelis. They said the intelligence benefits derived from the special relationship outweigh the losses. The most frequently cited advantages were intelligence coups gained from getting access to Soviet equipment captured during Israeli wars and the exchange of information to fight terrorism.

Not everyone gives Israeli intelligence such high marks. Stansfield Turner, director of the Central Intelligence Agency during the Carter administration, was quoted in an Israeli magazine earlier this year as saying, "90 percent of declarations about the supposed Israeli contribution to the security of the United States is public relations." He cited Israeli intelligence's failure to spot the Arab attacks in the 1973 war and its underestimation of the difficulties in the Lebanon invasion in 1982.

"Israeli intelligence is good, but not in all areas," Turner said. "Above all, it is good at overselling its own capabilities."

For years it was CIA policy not to have Jewish Americans serve as liaison officers with the Israelis because it was felt they might be under pressure to help Israel, another former high-ranking U.S. intelligence official said.

But for years the Federal Bureau of Investigation found that the Israelis had ample access to U.S. secrets anyway, the sources said. The FBI has started dozens of files of alleged Israeli espionage in the United States, they added, many based on wiretaps on the Israeli Embassy that continued at least into the early 1970s. But until the Pollard case no one was prosecuted.

"There is no question that one administration after another handled Israeli espionage different from other countries," one retired senior U.S. intelligence official said. Political decisions were made to have U.S. counterintelligence officials look the other way, he said.

Other officials noted, however, that there were few prosecutions of Soviet spies, either, until the last 10 years. Soviet diplomats usually were quietly asked to leave the country instead.

A senior Reagan administration official said disclosures of classified material to the Israelis have been commonplace for years. "Sure it's bothersome, and sure everyone knows it. But no one does anything about it. It is high politics."

Several of those interviewed praised the longstanding cooperation between the two countries' intelligence services, based on the groundwork laid by James J. Angleton, the head of both CIA counterintelligence and the office that served as the formal Israeli liaison for more than 20 years until he retired in 1974.

For instance, they noted that U.S. human-source intelligence on the Soviet Union for years was dependent on debriefings of Jewish emigres who traveled to Israel from behind the Iron Curtain.

For many years, too, some of the officials said, the United States sent millions of dollars in covert aid to Israel for operations in Africa that included training several African intelligence services.

The Israelis' knowledge of Africa helped their 1976 successful hostage rescue raid on the Entebbe airport in Uganda. And just two years ago, Israeli intelligence helped the CIA find an officer who had been kidnaped by the Ethiopian government.

The Israelis also have provided aid—and some of the guns it captured from the Palestine Liberation Organization in Lebanon—to the counterrevolutionaries, also known as contras, fighting the Sandinista government of Nicaragua, sources said.

And for the past 15 years the United States and Israel have exchanged intelligence information in the fight against terrorism.

In spite of the fruits of the cooperation, there have been dissenters in all administrations—often those officials who served in the Arab world—who have protested that the U.S-Israeli intelligence relationship was too close.

Some of those interviewed said the Israeli intelligence operations here are not considered that serious because they have targeted mostly Israel's Arab enemies in the Middle East. One official recalled that an FBI team breaking into an Arab embassy to plant a listening device years ago ran into an Israeli bugging team leaving the scene. "They waved at each other," the official said.

But the Israelis also targeted intelligence operations here on collecting U.S. science and technology that they couldn't get by overt means, the officials said.

For example, a federal grand jury in New York state now is investigating whether U.S. export laws were violated by an American company when technology to put chrome plating on tank gun barrels was shipped to Israel.

In the early 1970s the Israelis couldn't get U.S. approval to acquire aerial refueling planes and computers that could be used to simulate nuclear tests, one longtime State Department official recalled. "They got them anyway," he said. The Israelis bought old 707 jets from surplus and converted them to tankers. They ordered the computer piece by piece, he said, listing the parts by catalog number so no one would notice.

"When they go over the line [in running intelligence operations here], it's because they think it's survival," one veteran FBI counterintelligence official said. "It's not intended to be harmful to the United States. As least they don't view it that way."

Quandt said the problem is more "with our own people than the Israelis." He said in one case where he suspected but couldn't prove that an individual was leaking classified data to the Israelis, he transferred the person to another job.

When William Clark became President Reagan's national security affairs adviser in 1982, one of his first acts was to reassign two staffers he felt were too close to the Israelis, according to two former officials.

Israeli intelligence operations on American soil started before there was an Israel, according to officials and to books based on interviews with Americans who helped smuggle guns and planes to Palestine before the Jewish state was created in 1948.

Mose Speert, 83, a retired businessman from Baltimore, said he attended a meeting in New York on July 1, 1945, in which David Ben Gurion—who became Israel's first prime minister—asked a small group of Jewish Americans to aid the cause. Speert collected guns in a warehouse in Baltimore for shipment to Palestine, he said. The activity by the Sonneborn Institute violated American neutrality laws.

But Speert said U.S. authorities didn't bother the pro-Israel activists because "we weren't harming the United States. You could say there was almost cooperation as long as we kept up a pretense of secrecy."

W. Raymond Wannall, a former head of the FBI intelligence division, said he was in charge of investigating Israeli intelligence activities here in the late 1940s and early 1950s. He said his agents discovered a school in New York City where soon-to-be Israeli agents were trained in bugging and wiretapping techniques. They also forwarded to the Justice Department "more than a dozen cases" of U.S. officials passing classified information to the Israelis, he said.

In those early years, the Israeli intelligence liaison was run by Angleton, rather than the Middle East division, to make sure the information didn't get to Arab countries. Angleton was most interested in "the main Soviet target" and the help the Israelis could provide from debriefings of Jewish emigres, officials said. Angleton declined to discuss his work with the Israelis.

Despite the cooperation in the 1950s, the United States and Israel also conducted operations against one another, officials said. CIA documents show the Israelis tried to bug the U.S. Embassy there in that period and the United States did the same to the Israelis here. "Each side was trying to pick the pocket of the other while trading information," one retired senior U.S. intelligence officer recalled.

Israel's President Chaim Herzog, who was an attache at the embassy in Washington, left the country hur-

riedly in 1954 after learning from a friendly State Department employe that the FBI knew about his recruitment of a Jordanian military officer, according to Wilbur Crane Eveland III, a U.S. military intelligence officer at the time.

That same year, the Israelis bombed British and U.S. facilities in Egypt in the hopes the actions would be blamed on the Egyptians and turn the West away from the largest Arab country. Instead, the Israeli agents were caught, leading to a long-running political scandal in Israel known as the "Lavon affair."

After Israel joined with Britain and France in invading Suez in 1956, President Dwight D. Eisenhower threatened to cut off aid to Israel to force them back from the canal. Following that, one retired CIA official said, the Israelis cut off American access to Soviet emigre debriefings for a time.

During the 1960s, the special relationship between the two intelligence services grew closer, especially after the French cut off military supplies to Israel after the 1967 war. The cooperation grew despite the controversy over the strafing and bombing of a U.S. signals intelligence intercept ship, the Liberty, during the six-day war. The attack, which the Israelis said was a mistake, killed 34 American sailors.

The most serious allegations of Israeli espionage in the United States also occurred during the 1960s. They surrounded the disappearance of 200 pounds of weapons grade uranium from a processing plant in Apollo, Pa., which spawned a series of top secret FBI and Atomic Energy Commission investigations.

No charges were ever filed, although the CIA concluded that uranium from the plant had been diverted to make an Israeli atomic bomb, sources said. Last week The Washington Post disclosed that Rafael Eitan, the Israeli intelligence officer who ran the Pollard case, was scheduled to visit the uranium processing plant in 1968. At the time he was a Mossad officer, but was listed on the planned trip as a chemist for the Israeli ministry of defense.

The rise of terrorism in the Middle East in the 1970s pushed the U.S.-Israeli intelligence connection closer still, officials said.

After Angleton left in 1974, the Israeli account was put in the Middle East division. One CIA official who got his first glimpse of the Israeli "take" then said he was "appalled at the lack of quality of the political intelligence on the Arab world.

"Their tactical military intelligence was first rate. But they didn't know their enemy. I saw this political intelligence and it was lousy, laughably bad. I was horrified when I saw it because I realized it had probably been going in for years to policy makers from the Angleton shop without challenge. It was gossip stuff mostly."

The sensitivity of continuing disclosures of U.S. secrets to Israel also increased during the mid-1970s because American arms were also being sold in great quantities to Saudi Arabia and Egypt, and the U.S. military was deeply involved in secret contingency planning with those governments, officials said.

By the time the Reagan administration came to power, the Israelis were confident enough to ask the Pentagon for access to real-time satellite photography, complete with their own ground station and a channel dedicated to their use, according to officials. The Israeli plan was refused.

But the liaison relationship has remained close. And officials agree it will stay that way, despite occasional fallout from cases like the one involving Pollard.